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DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD
ON THE FIRST PART OF ITS THIRTY-NINTH SESSION

Held at the Palais des Nations, Geneva
from 28 September to 14 October 1992

Rapporteur: Mr. Banmali Prasad Lacoul (Nepal)

Addendum

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Chapter I

FOLLOW-UP TO THE RECOMMENDATIONS ADOPTED BY THE CONFERENCE AT ITS EIGHTH SESSION

(Agenda item 2)

1. In preparation for the Board's consideration of this item, the progress made so far in the establishment of the new subsidiary bodies, called for in paragraphs 74 to 79 of the Cartagena Commitment, was reviewed at the first (pre-sessional) executive session of the Board held on 21 September 1992. The discussion note by the Secretary-General of UNCTAD prepared for the executive session (TD/B/EX(1)/3) and the report of the Board on its first executive session (TD/B/EX(1)/4, section 2 (a)) were thus relevant to the consideration of this item at the current session of the Board.

2. Introducing this item, the Deputy to the Secretary-General of UNCTAD referred to paragraph 60 of the Cartagena Commitment relating to the follow-up to UNCTAD VIII and stated that consensus had emerged on the following arrangements:

(i) In the consideration of substantive items, the Trade and Development Board and each of its subsidiary bodies would assess the extent to which effect had been given to the relevant recommendations of UNCTAD VIII;

(ii) For each part of its regular session, the Board could select a particular topic or topics on which it would undertake an in-depth review of progress made in the implementation of the relevant recommendations of the Conference.

He added that the UNCTAD secretariat had been giving consideration to the choice of possible topics and suggested that the Board might wish to deal with this matter in the context of discussions on the provisional agenda for the second part of its thirty-ninth session.

3. The representative of China was of the view that the institutional reforms decided at the Conference were proceeding in a smooth, positive and productive manner. UNCTAD VIII had been a historic Conference, convened in the context of major changes in the international political and economic situation, and had laid down specific guidelines for the establishment of a healthy, secure and equitable world economy and for the promotion of growth and development of the developing countries. The key to the follow-up to UNCTAD VIII lay in the comprehensive, balanced and serious implementation of

the Cartagena provisions. The Cartagena Commitment had reaffirmed that UNCTAD was the most appropriate forum within the United Nations system for the adoption of an integrated approach to development and to the interrelated issues of trade, finance, services, technology and other areas, in the interests of all countries, particularly the developing countries. As a result, in undertaking relevant institutional arrangements, special attention should be paid to the interests of the developing countries, and in particular the LDCs. Most of the longstanding problems and difficulties confronted by developing countries still awaited effective solutions. UNCTAD should therefore continue to seek solutions to the problems of traditional concern to the developing countries. He added that, although institutional reform was a dynamic process, such dynamism should not be overstressed at the expense of the stability of the organization.

4. The representative of the United Kingdom, speaking on behalf of the European Community and its member States, said that the Community was greatly encouraged to see the objectives it had pursued for UNCTAD largely realised at Cartagena, where all member States had agreed on a radical reorientation for UNCTAD. He welcomed agreement that the meetings of the Trade and Development Board were to become more focused, with the executive session of the Board taking on some of the work. The Trade and Development Board was the primary arena for looking at a small number of specific, precisely defined subjects, stimulating in-depth fruitful discussions of the most important current development issues. In the light of the new methods of work, there was a need to move away from set-piece debate and to achieve a genuine dialogue, looking at issues in a more dynamic and innovative way. This, he argued, would be facilitated by good analytical work from the secretariat, which should be concise, independent and even controversial, and should particularly take account of the diversity of country experiences. He welcomed the first steps taken in this direction at the current session of the Board, adding that there was perhaps still something to be learnt about how to make the best use of the greater flexibility and how best to record the results of deliberations.

5. Each new body created at Cartagena should be attended by experts, including external experts. They would of course need to consider their specific work programmes, and set precise objectives and priorities in order to focus the work. He further expressed satisfaction with the agreement reached at the executive session of the Board in regard to monitoring and

evaluation of UNCTAD's work, which should go hand-in-hand with continued evaluation of work programmes and budgets in the Working Party on the Medium-term Plan and Programme Budget.

6. In establishing work priorities, the Board must take into account the 11 areas of work to be overseen by the Standing Committees and Ad Hoc Working Groups created at Cartagena. Within current budget restraints, there was need for selectivity and to concentrate efforts where most good could be done. UNCTAD needed to mobilize its resources optimally: these should be concentrated on high-priority areas to ensure quality work. This also included looking at the staffing situation critically, streamlining working methods, utilizing effectively other bodies' work, and avoiding duplication. Member States had a role to play, through their encouragement and monitoring, in ensuring that the reforms were carried out as effectively as possible and that budgets were adjusted accordingly.

7. The representative of Japan considered that, seven months after UNCTAD VIII, the time was ripe to assess progress in the implementation of the Cartagena Commitment. The Board had adopted the terms of reference of the Standing Committees and Ad hoc Working Groups, but the details of the work programme were to be defined at the first meeting of each of these bodies. Given the resource limitations, he believed that UNCTAD should concentrate on those activities where it had a comparative advantage. His delegation endorsed the proposal made by the representative of the United States urging the Secretary-General to propose a budget for each of the Standing Committees and Working Groups before their first meeting. It was essential in his view to establish priorities and to focus on specific issues. This could incite experts from capitals to attend UNCTAD meetings.

8. In parallel to the reform of UNCTAD's intergovernmental machinery, the structure of the secretariat should be adjusted to the new work programme and he requested the Secretary-General of UNCTAD to provide the Board with detailed information on this matter. In general, he expressed satisfaction with the reform of the intergovernmental machinery and the methods of work. He was gratified to see that the regional group system now operated in a more flexible way. He emphasized, however, that much remained to be done to realise fully the spirit of Cartagena.

9. The representative of Sweden, speaking on behalf of the Nordic countries Denmark, Finland, Norway and Sweden, said that these countries welcomed the

drive towards efficiency, flexibility and less bureaucratic practices which stemmed from UNCTAD VIII. She was happy to see that the regional group system had become more flexible and, as an example, mentioned that Group B no longer coordinated any issues other than elections and other procedural matters. The Nordic countries were pleased to see that the Board had agreed on the terms of reference of all the Standing Committees and Ad Hoc Working Groups. The next step would be to establish realistic priorities regarding work programmes, both of the new Committees and Working Groups and of the Board itself. In all areas of their work, the Committees and Working Groups should integrate the concept of sustainable development in their work programmes. The Nordic countries were further of the view that, when discussing sustainable development, the relationship between trade and environment should be looked at and new concepts and approaches should be devised so as to make policies in these two areas mutually supportive. UNCTAD could play an essential role in this regard, serving as a forum for discussion of new ideas in a non-negotiating atmosphere.

10. The institution of executive sessions of the Board was warmly welcomed by the Nordic countries. It was necessary, however, to avoid duplication of work between the executive and the regular sessions of the Board. In this respect, the executive session might be entrusted with the review and approval of the work programmes of the new Committees and Working Groups.

11. The representative of Chile commended the secretariat for the quality of the documentation submitted to this session of the Board, emphasizing that good analytical quality was essential to induce experts to come from capitals. He announced that his country was prepared to send experts for the Committees on poverty alleviation and on services as well as for the Ad Hoc Working Groups on trade efficiency and on the relationship between investment and technology transfer. He expressed the hope that, at the current session, the Board would decide to establish a working group on structural adjustment for the transition to disarmament. As for sustainable development, this should be discussed initially in one of the sessional committees of the Board and a permanent committee should be established once progress was achieved in the discussion of this issue.

12. Finally, he expressed the view that the General Assembly, at its current session, should adopt UNCTAD's recommendations on the priorities to be given

to the different subprogrammes of UNCTAD. To this effect, UNCTAD should convey to the Assembly a consensus view on this matter.

13. The representative of the United States of America expressed optimism over the future of UNCTAD in the light of what she called excellent presentations by experts at this session of the Board, which had stimulated discussions in the direction hoped for at UNCTAD VIII. She was confident that further progress would be made. She stressed the need for ensuring full representation of countries concerned in all meetings and, in this connection, requested the Secretary-General of UNCTAD to estimate how much would be needed to support the attendance of least developed countries at all these meetings. She suggested that the Secretary-General could propose ways to reallocate resources to this effect through cutting measures on programmes which had become obsolete or no longer relevant in the wake of Cartagena. She emphasized that her Government would not agree with funding LDCs' attendance through additions to the budget.

14. Responding to questions raised, the Secretary-General of UNCTAD promised to reply to the request made by Japan at an appropriate point the following week. Expressing sympathy with the proposals made by the United States' delegation, he said that, as requested, the new Committees and Ad Hoc Working Groups would be informed at their first sessions of the resource implications of their work in terms of man-months. As regards supporting the attendance of governmental experts, particularly from LDCs, he recalled that this matter had been discussed in previous consultations and raised in his own report on those consultations to the executive session of the Board (cf. TD/B/EX(1)/4, para. 6 (b)). The consensus was that, since the travel expenses of such experts was not normally borne by the regular budget, donor countries should be invited to consider establishing trust fund arrangements to cover these expenses. On the question of economizing resources, he said that, if so requested by the Board, the secretariat was ready to consider ways of making further progress by identifying activities which were no longer useful or had become obsolete. Suggestions would then be submitted to the Working Party on the Medium-term Budget. He cautioned, however, that this type of exercise had in the past proved to be a difficult one. He added that present arrangements required that travel assistance for governmental representatives, as distinct from experts invited in their personal capacities, had to be financed from extrabudgetary resources and not from a reallocation of budgetary funds.

15. The representative of the International Confederation of Free Trade Unions referred to paragraph 84 of the Cartagena Commitment, stressing the advantages to be had from closer cooperation between UNCTAD and trade unions and other non-governmental organizations as well as from the participation of these organizations in the public sessions of UNCTAD's bodies. He commended the annual consultations between the UNCTAD secretariat and the international trade union movement, which had been held regularly in recent years each June at the time of the International Labour Conference in Geneva. ICFTU noted with interest the suggestions made in the note circulated by the Secretary-General of UNCTAD to the Board's executive session. ICFTU saw value in the idea of inviting representatives from NGOs concerned to meetings of the bureau of each UNCTAD body. While ICFTU's commitment related to all areas of UNCTAD's mandate, his organization was well placed to contribute positively in regard to ECDC, poverty alleviation, increased market access for developing countries, and privatization.

Action by the Board

16. At its 813th meeting, on 7 October 1992, the Board took note of the oral report by the Secretary-General of UNCTAD on this item and decided to take up the matter of the follow-up to UNCTAD VIII, in the context of the decision taken at its first executive session on the monitoring and follow-up to substantive recommendations of the Conference, in the consultations on the draft agenda for the second part of the thirty-ninth session of the Board.